

of the  
AMTORG TRADING CORPORATION

The conclusion of the Soviet-American trade agreement on August 4, 1937 which provided for most-favored-nation treatment, put the commercial relations between the United States and the Soviet Union on a more sound foundation. It was a step towards the creation of the necessary conditions for the development of Soviet-American trade on a scale commensurate with the economic position of the two great nations. Another factor which served to contribute towards the growth of Soviet purchases in the United States was the extension of direct trading between American concerns and Soviet business organizations.

The immediate result of these developments has been a great increase in Soviet purchases in this country, which in the year 1937, reached the highest value of any year since 1930. During 1937 orders placed in this country for the Soviet Union amounted to \$75,000,000 as against \$35,000,000 in 1936. The great increase in Soviet orders is far in excess of the purchases provided for by the Soviet-American trade agreement referred to. Under the agreement, the Soviet Union declared its intention to buy in the United States during the agreement year 1937-1938 goods to the value of \$40,000,000. The Soviet Union has not only lived up to the provisions of the agreement, but actually made purchases during the calendar year of 1937 of almost double the amount called for by the agreement.

The above figures refer to the volume of Soviet orders placed here in 1937. Deliveries under these orders were not entirely completed during the year. This accounts for the difference between the above figures and those recently published in Moscow, showing the actual importations of American goods into the Soviet Union.

Of the total Soviet orders placed in the United States in 1937 over 45%, or approximately \$34,000,000, were handled by direct trading between American firms and Soviet import organizations. An increasing number of American manufacturers are sending representatives to Moscow and otherwise establishing direct contacts with the major business organizations of the Soviet Union, such as "Machinoimport", "Technopromimport", "Stankoimport", "Soyusmetimport", etc. The opportunity to discuss on the spot the merits of their products with the technical staffs of the Soviet organizations enabled American concerns to increase their own business, and at the same time to contribute towards the extension of Soviet-American trade, in general.

It should be noted that Soviet purchases in the United States in 1937, and in recent years, have been made on a cash basis. Due to the successful accomplishment of the First and Second Five-Year Plans, the Soviet Union has become economically and financially independent, and whenever such course is deemed advisable, it has been able to carry on its foreign commerce and to provide the necessary foreign

exchange for its imports without resorting to credits.

In 1937 Soviet orders were placed with 1,033 American firms and in most of the principal States of this country. Among the many important commodities purchased by the Soviet Union during 1937 were included: Machine Tools, Steel Sheet Strip Tinplate, etc., Presses and Forging Equipment, Rolling Mill Equipment, Aviation Equipment, Non-ferrous Metals, Radio and Television Equipment, Alfalfa Seeds, Electrical Apparatus Tools and Equipment, Oil Well and Refinery Equipment, Internal Combustion Engines, Steamers, Chemicals and Chemical Equipment.

By major States Soviet orders were distributed as follows:

Pennsylvania	\$14,121,000
Ohio	12,036,000
California	10,228,000
New York	8,001,000
Connecticut	5,369,000
Massachusetts	4,784,000
New Jersey	3,419,000
Michigan	3,210,000
Wisconsin	2,767,000
Illinois	2,647,000
Vermont	2,174,000
Colorado	2,160,000
Indiana	1,012,000

*No Minnesota*

The prospects for Soviet-American trade for 1938 will be largely determined by the opportunities created for a mutually advantageous exchange of goods and services. Competitive prices, favorable delivery terms, suitable technical and commercial arrangements, as well as favorable conditions for Soviet exports, are some of the essential conditions for the further expansion of Soviet-American trade. Although the Soviet Union is now in a position to carry out its economic plans, if need be, independently of foreign commerce, it does not favor a policy of autarchy, and has repeatedly expressed its readiness to develop its foreign trade as a factor in the strengthening of international good-will and cooperation among nations. (April 1, 1938)

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